

Message Text

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PAGE 01 STATE 287068
ORIGIN ARA-14

INFO OCT-01 ISO-00 EB-08 SSO-00 USIE-00 FEA-01 /024 R

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FM SECSTATE WASHDC

TO AMEMBASSY MEXICO IMMEDIATE

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E.O. 11652: N/A

TAGS:ENRG, MX

SUBJECT:NATURAL GAS PRICE

AS REQUESTED EMBTEL THERE FOLLOWS ARTICLE WHICH
APPEARED IN PAGE D-3 OF DECEMBER 1, EDITION OF THE
WASHINGTON POST:

PRESIDENT JOSE LOPEZ PORTILLO REJECTED U.S.
PRESSURES TO LOWER THE PRICE OF MEXICAN GAS TO BE
SOLD MASSIVELY IN THE UNITED STATES EVEN IF THE U.S.
FINANCING OF A PLANNED GAS PIPE IS JEOPARDIZED.

"WE ARE NOT GOING TO LOWER THE JUST PRICE OF
OUR GAS BECAUSE OF A FINANCING PROBLEM," LOPEZ PORTILLO
SAID AT A NEWS CONFERENCE. "I REFUSE TO BELIEVE THAT...
THE LOAN HAS BEEN BLOCKED, BUT IT WOULD BE A SERIOUS
STEP BACKWARDS FOR THE WORLD OVER IF A POWERFUL COUNTRY
WOULD USE ITS FINANCIAL SYSTEM TO BRING DOWN THE PRICES
OF RAW MATERIALS."

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A \$590 MILLION LOAN FOR THE 1.5 BILLION GAS DUCT
TO TEXAS HAS BEEN HELD UP IN THE U.S. EXPORT IMPORT
BANK PENDING THE DEPARTMENT OF ENERGY'S APPROVAL OF THE
MEXICAN GAS PRICE. MEXICO WANTS \$2.60 PER THOUSAND CUBIC

FEET-CLOSE TO 15 PER CENT HIGHER THAN THE CANADIAN

PRICE. PRESIDENT CARTER, IN HIS ENERGY PLAN, HAS
ASKED FOR A GAS PRICE OF \$1.75 PER THOUSAND CUBIC
FEET.

THE 821 MILE LONG GAS PIPE WOULD LEAD FROM
MEXICO'S NEWLY DISCOVERED OIL WELLS IN THE SOUTH-
EAST TO MCALLEN, TEXAS. VANCE

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
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Concepts: NATURAL GAS, PRICES
Control Number: n/a
Copy: SINGLE
Sent Date: 01-Dec-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t197712103/aaaadjzz.tel
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Litigation Codes:
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Original Handling Restrictions: n/a
Original Previous Classification: n/a
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Previous Handling Restrictions: n/a
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